(a) whether Government has launched any special programme to promote small scale industries (SSI) in the country particularly in the rural areas;

(b) if so, the details thereof;

(c) the details of funds released to various States for the promotion of small scale industries during the last two years; and

(d) the extent to which the target of growth of small scale industries in the country has been achieved?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) and (b) The Ministry of Micro, Small and Medium Enterprises (MSME) is implementing various schemes/programmes relating to credit, infrastructure development, quality improvement, technology upgradation, marketing, entrepreneurial development, etc. These schemes are implemented across the country including rural areas.

(c) Allocation of budgetary funds is made scheme-wise (not state-wise) and utilised for various projects and other activities under the schemes. The Ministry of MSME utilised an amount of Rs. 1420.19 crore during the financial year 2007-08 and Rs. 1661.63 crore (Provisional) during the financial year 2008-09 for various schemes/programmes.

(d) Based on the Third All India Census of SSIs with reference year 2001-02 percentage growth rate achieved in SSI sector for the years 2004-05, 2005-06 and 2006-07 (latest available) is 10.88, 12.32 and 12.60 respectively.

Development of agro-based rural industries

3141. SHRI RAMDAS AGARWAL: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether Government proposes to launch new schemes for the development of agro-based rural industries in the country;

(b) if so, the details thereof;

(c) whether Government has received proposals from the States including Rajasthan for development of agro-based industries there; and

(d) if so, the details thereof, State-wise?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) No, Sir. The Government (in the Ministry of Micro, Small and Medium Enterprises) has approved a new Central sector credit-linked subsidy scheme, called the Prime Minister's Employment Generation Programme (PMEGP) during 2008-09 (August, 2008) for promotion and development of micro enterprises including Village Industries. PMEGP is implemented through the Khadi and Village Industries Commission (KVIC)

in both rural as well as urban areas throughout the country. Under PMEGP, entrepreneurs can establish micro enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006", *i.e.*, the enterprises engaged in (i) the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, where the investment in plant and machinery does not exceed twenty five lakh rupees; (ii) those providing or rendering of services, where the investment in equipment does not exceed ten lakh rupees, by availing of margin money assistance from the KVIC and loans from any public sector scheduled commercial bank.

PMEGP is implemented through KVIC as the single nodal agency at the national level. At the State/Union Territories level, the scheme is being implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) with involvement of banks. The permissible margin money subsidy provided under PMEGP is as under:—

Categories of beneficiaries under PMEGP	Beneficiary's Contribution (of project cost)	Rate of Subsidy (of project cost)	
Area (location of project/unit)		Urban	Rural
General Category	10%	15%	15%
Special Category (including SC/ST/OBC/ Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.)	05%	25%	35%

(b) Does not arise.

(c) Applications for setting up 'micro enterprises' including agro-based rural industries under PMEGP are not received directly by the Government in the Ministry of Micro, Small and Medium Enterprises. Under the PMEGP, an eligible entrepreneur can establish a 'micro enterprise' by availing of margin money assistance from the KVIC and loans from any public sector scheduled commercial bank. For this purpose, proposals are invited from potential first generation beneficiaries at district level through press, advertisements and other media by KVIC, KVIBs and DICs at periodic intervals depending on the target allocated under PMEGP. The project proposals so received are scrutinized by the District Task Force Committees constituted for the purpose and based on the experience, technical qualifications, skill of the applicant, viability of the project, etc., the applications/project proposals are short-listed and the applicants are called for interview to assess their knowledge about the proposed project, skill and entrepreneurship abilities to make the proposed project a success. Approval of the project depends on technical and financial appraisal by the respective banks.

(d) Does not arise.